

Overview

The City of Seattle's Capital Improvement Program (CIP) allocates existing funds and anticipated revenues to rehabilitate, restore, improve, and add to the City's capital facilities. Projects in the CIP cover a wide range of capital improvements, including construction of new libraries, street repairs, park restoration, and work on electrical substations. The CIP covers a six-year planning horizon (this document covers 2004-2009), and is updated each year to reflect ongoing changes and additions. The CIP document, prepared by the Department of Finance based on submissions from City departments, is approved by the Mayor, and is then submitted to the City Council for adoption, along with the City's annual budget. The six-year CIP does not appropriate funds, but rather functions as a budgeting tool, supporting the actual appropriations that are made through adoption of the budget. The CIP is consistent with the City's Comprehensive Plan and includes information required by the State's Growth Management Act (GMA).

In August 2001, the City Council adopted Resolution 30365 which provides a framework for the City's capital funding decisions. Criteria used in selecting capital priorities and projects include preservation of existing facilities, investment in facilities that support the Comprehensive Plan, implementation of neighborhood plans, support for economic development, leveraging of external funding sources, and consistency with the City's debt policies.

The City of Seattle 2004-2009 Proposed Capital Improvement Program can be found on the City of Seattle website at: <http://www.cityofseattle.net/budget/0409proposed>.

Citywide Summary

The 2004-2009 Proposed CIP highlights the City of Seattle's recent emphasis on building new civic buildings as well as its long-standing efforts to maintain or improve existing infrastructure. Many of the projects in the 2004-2009 Proposed CIP are civic or cultural facilities funded by voter-approved levies (the "1999 Seattle Center and Community Centers" Levy and the "Neighborhood Parks, Green Spaces, Trails and Zoo" Levy) and bonds ("Libraries for All"). Utility-funded projects in the Seattle City Light and Seattle Public Utilities CIPs improve or maintain the utility infrastructure that serves Seattle residents. Projects in the Seattle Department of Transportation (SDOT) CIP are funded by multiple fund sources – local, state, and federal – and focus on streets, bridges and other elements of our transportation infrastructure. Finally, the proposed CIP also projects the financial impact on City departments of major transportation projects including the Monorail, Sound Transit Light Rail, and the Alaskan Way Viaduct. Key projects are more fully described later in this overview, and details on funding and schedule can be found in the individual department sections.

The 2004-2009 Proposed CIP totals more than \$2.6 billion for six years and includes more than 750 individual projects. About \$1.73 billion or 66% of this amount is allocated to utility projects that are funded and managed by Seattle City Light and Seattle Public Utilities (SPU). About \$486 million or 19% is allocated to SDOT over the six-year period. The remaining departments (Parks and Recreation, Fleets & Facilities, Office of Arts and Cultural Affairs, Seattle Center, Seattle Public Library, and Department of Information Technology) account for approximately \$406 million or 15%. The table on the next page shows the 2004-2009 allocations by department and the accompanying pie chart provides this information for 2004 only.

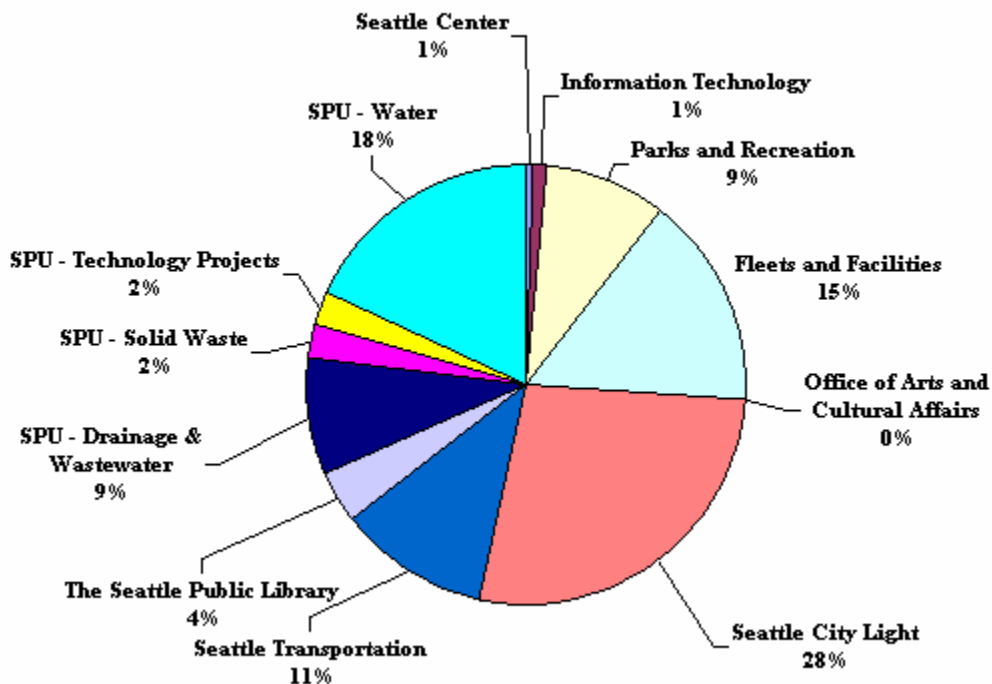
2004-2009 Proposed CIP Overview

2004-2009 Proposed CIP* by Department (in thousands)

Department	2003 Adopted	2003 Revised	2004 Endorsed	2004 Proposed	2005-2009 CIP	2004-2009 Total
Office of Arts and Cultural Affairs	120	157	120	120	664	784
Information Technology	6,511	18,472	3,122	4,099	28,412	32,511
Fleets and Facilities	25,085	116,885	2,477	65,292	125,112	190,404
Parks and Recreation	53,086	79,037	30,615	37,971	78,528	116,499
Seattle Center	54,902	51,504	3,903	2,608	36,096	38,704
The Seattle Public Library	57,210	144,330	10,646	16,102	11,462	27,564
Seattle Transportation	44,683	89,348	46,738	46,842	439,308	486,150
Subtotal	\$241,597	\$499,733	\$97,621	\$173,034	\$719,582	\$892,616
City-owned Utilities						
Seattle City Light	128,902	147,616	124,421	115,781	663,458	779,239
SPU - Drainage & Wastewater	45,172	44,799	42,996	37,155	190,548	227,703
SPU - Solid Waste	5,567	4,450	9,527	9,974	144,023	153,997
SPU - Technology Projects	14,765	11,429	11,849	10,359	37,255	47,614
SPU - Water	109,480	99,416	81,121	76,836	446,370	523,206
Subtotal	\$303,886	\$307,710	\$269,914	\$250,105	\$1,481,654	\$1,731,759
City Total	\$545,483	\$807,443	\$367,535	\$423,139	\$2,201,236	\$2,624,375

*Note that not all funds above are appropriated; see the 2004 Proposed budget for a list of capital appropriations by department.

2004 Proposed CIP By Department



2004-2009 Highlights

Several major City capital projects were recently completed, while a number are underway in 2004. These projects are the result of the increase in capital investments that the City began in the mid-1990s, and include development of new facilities and improvements to existing facilities or infrastructure. Projects include the City's civic and cultural facilities, as well as utility and infrastructure investments. Funding comes from general taxes, voter-approved levies or bonds, Councilmanic debt, private or other public sources, and utility rates. A few recently-completed projects, along with some major projects or programs still underway, are highlighted below.

Recently Completed Major Capital Projects

- ◆ **The Municipal Civic Center – City Hall:** In June 2003, construction of the new City Hall was substantially completed and the building occupied. The new City Hall is located on the east side of the existing City Municipal Building, and houses the Legislative and Executive branches of the City, along with the other departments that work closely with those branches. This building is part of the overall Civic Center Master Plan, endorsed by the City Council in May 1999. City Hall, which cost \$72 million, was financed through Councilmanic debt. The cost estimate for all elements of the Civic Center Master Plan is approximately \$264 million and is financed primarily by Councilmanic debt and proceeds from the sale of surplus City property. See the Fleets & Facilities CIP for more detailed project information.
- ◆ **“Libraries for All” – Capitol Hill Branch:** In May 2003, the fourth project completed under the “Libraries for All” program, the new Capitol Hill Library, opened. This facility, costing \$5 million, replaces the existing branch (formerly known as the Henry Library). The new branch features an upgraded collection capacity of 40,200 books and materials, more reading and study areas, spacious areas for children and teens, upgraded computer work stations, a community meeting room, and underground parking. A 400-square-foot Neighborhood Service Center is co-located in the library. See the Library CIP for more information.
- ◆ **Marion Oliver McCaw Hall:** In June 2003, the \$127 million renovation to the City's 1927 opera house, renamed Marion Oliver McCaw Hall, opened on the Seattle Center campus. This project was funded in part by the 1999 Seattle Center and Community Centers Levy, Councilmanic debt, private donations, the State of Washington, King County, and other public and private funds. The 330,000-square-foot McCaw Hall houses the Pacific Northwest Ballet and Seattle Opera, as well as festivals and other community and commercial events. See the Seattle Center CIP for more information.
- ◆ **University Way NE Multi-Modal Improvements:** This \$7.1 million project reconstructed University Way Northeast (“The Ave”) from NE 41st St. to NE 50th St. This project was completed in August 2003. The work included new sidewalks and paving, street drainage, watermain piping, traffic signal improvements, street lights, in-lane bus stops, urban design and art elements, and landscaping. The resulting streetscape improves pedestrian safety and mobility, improves transit speed and reliability and upgrades the street character through urban design and art enhancements. The project was funded by local and federal funds, and construction was completed in partnership with King County, Seattle City Light, and Seattle Public Utilities. See the SDOT CIP for more information.

Significant Projects Underway

- ◆ **Reservoir Coverings:** Seattle's water system includes eight open reservoirs storing treated drinking water. These reservoirs, built between 1901 and 1962 and managed by Seattle Public Utilities, range in size from 7 to 68 million gallons and represent 87% of the system's in-city storage capacity. Reservoir sites also provide open space areas in the city often serving as neighborhood focal points and/or abutting recreational areas. To comply with water quality regulations and enhance security, the City plans to cover all of its drinking water reservoirs over the next decade. Approximately \$156 million is included in the 2004-2009 Proposed CIP for reservoir covering and undergrounding projects. Two open reservoirs have already been covered: Magnolia Reservoir in 1994 and Bitter Lake Reservoir in 2002. Lake Forest Park Reservoir is currently out of service to be fitted with a floating cover. Two reservoir covering projects, Beacon and Lincoln, are currently underway. See the Seattle Public Utilities – Water Fund CIP for more detailed project information.

2004-2009 Proposed CIP Overview

- ♦ **Ballard and Lake City Civic Centers:** Two major neighborhood “civic center” projects are underway in Ballard and Lake City. The Ballard Civic Center, a priority in the Ballard/Crown Hill Neighborhood Plan, includes a 15,000-square-foot branch library to replace the existing Ballard Library; a 3,000-square-foot Neighborhood Service Center (NSC) to replace the existing Ballard NSC; parking; and a 1.5+ acre park at the former Safeway site at 5701 22nd Avenue NW. Total project cost is approximately \$16 million; all project elements are expected to be completed by the end of 2006. The Lake City Civic Center includes a renovated Library with co-located NSC, parking garage, park, and plaza linking all of the Civic Center elements. Total cost of this project is approximately \$7.5 million, and all elements are expected to be complete by the end of 2005.
- ♦ **Boundary Dam Rehabilitation:** This \$58 million Seattle City Light project provides a comprehensive rehabilitation of major equipment, systems, support features, and recreational facilities at the Boundary Hydroelectric Facility. The Boundary Dam, located 107 miles north of Spokane in the far northeast corner of Washington state, provides 50% or more of the electricity used by Seattle City Light’s customers. Planning for this project began in 1995; the project should be completed by the end of 2004. See the Seattle City Light CIP for more information.
- ♦ **2000 Parks Levy Projects:** In November 2000, Seattle voters approved a \$198.2 million eight-year levy lid lift for parks and recreation purposes. The levy is designed to fund more than 100 projects to improve maintenance and enhance programming of existing parks, including the Woodland Park Zoo; acquire, develop and maintain new neighborhood parks, green spaces, playfields, trails and boulevards; and add out-of-school and senior activities. The levy also funds an acquisition and development “opportunity fund.” The 2004-2009 CIP includes more than \$49 million for more than 53 Parks Levy projects. Recently-completed projects include Judkins Field, Greenwood Park, Bradner Gardens, Genesee Playfield Lighting, and Jefferson Park Pathway. Recent acquisitions include a property adjacent to the Whittier Substation site. Several purchase agreements have been signed, including Maple Leaf Community Garden, and properties along Thornton Creek and Puget Creek.
- ♦ **1999 Seattle Center and Community Centers Levy:** This \$72 million levy lid lift, adopted by voters in 1999, provided \$36 million for two major projects on the Seattle Center campus (the Fisher Pavilion and Marion Oliver McCaw Hall – see above). The remaining \$36 million is funding nine new or renovated community centers throughout the City. Work on all nine of these projects is well underway. By the beginning of 2004, two projects will be completed (High Point and Sand Point Community Centers), three more projects are expected to be completed in 2004 (International District/Chinatown, Jefferson and Yesler Community Centers), and the remaining four are scheduled to be completed in 2005 (Belltown, Northgate, Southwest and Van Asselt Community Centers).

Ongoing Major Transportation Projects

A number of major transportation projects, including the Sound Transit Light Rail, the Monorail, and Alaskan Way Viaduct/Seawall projects, will have a great impact on the region's transportation infrastructure. In the 2004-2009 Proposed CIP these projects are reflected in several departments, including the Seattle Department of Transportation (SDOT), Seattle Public Utilities, and Seattle City Light capital programs.

Significant Proposed Projects

- ♦ **Fire Facilities & Emergency Response Levy:** The 2004-2009 Proposed CIP includes a number of projects comprising the Fire Facilities and Emergency Response levy lid lift, to be before voters in November 2003. If passed, the levy lid lift would make about \$167 million in levy proceeds available to: (i) upgrade, renovate, or replace 32 neighborhood fire stations; (ii) construct a new training facility and upgrade the Department's Fire Alarm Center; (iii) establish emergency preparedness facilities and disaster response equipment that includes a modern, seismically safe Emergency Operations Center, emergency community supplies, emergency shelter power generators, and emergency water supply capacity for fire fighting in the event the City's fire hydrants are disabled; and (iv) a new, large platform fire boat, a rehabilitated and enhanced Chief Seattle fireboat, and a new fast attack small fire rescue boat. No appropriations for these projects are being made in the 2004

2004-2009 Proposed CIP Overview

Proposed Budget. If the levy passes, appropriations will be made by separate Council action. See the Fleets & Facilities CIP for more detailed information on the proposed projects.

- ◆ **Green Lake Alum Treatment:** In the summer of 2002, algae bloom on Green Lake restricted public uses. As part of the 2003 September Supplemental Ordinance, the Mayor is proposing that \$1.5 million in Cumulative Reserve Subfund – REET II funding be appropriated to the Green Lake – Water Quality Improvements (K732239) project to clean up the lake by April 2004.
- ◆ **Central Waterfront Pier Replacement:** In 2003, the Department of Parks and Recreation hired Seattle Structural to perform an evaluation of Pier 58/59 and Pier 62/63. Due to the age and deterioration of the piers, Seattle Structure recommends that the City replace the entire pier piling systems rather than continue to make incremental repairs. Parks has allocated nearly \$1 million in 2004 to begin planning both projects in 2004 and anticipates requiring \$18 million for Pier 58/59 in 2005 and \$13 million for Pier 62/63 in 2006. The likely source of financing for these projects is Councilmanic debt.

Neighborhood Plan Projects in the CIP

The 2004-2009 CIP contains more than 125 projects that support elements of neighborhood plans. In 1999, the City Council finished the approval process for 38 neighborhood plans, created by nearly 20,000 citizens. The plans identify actions desired to ensure that the City's neighborhoods continue to thrive and improve as Seattle grows over the next 20 years and meet our commitments under the State's Growth Management Act. Projects supporting neighborhood plan recommendations are found throughout the CIP, and include parks, street and pedestrian improvements, libraries, community centers, and pedestrian and safety lighting. Projects that respond to or include elements of neighborhood plan recommendations are indicated by the appropriate neighborhood plan, just above the project description. Funding for these projects comes from voter-approved levies (the 1999 Seattle Center and Community Centers Levy and 2000 Parks Levy) and bonds ("Libraries for All"), the Neighborhood Matching Fund, the Cumulative Reserve Subfund, utility funds, and other public and private sources.

2004 CRF Neighborhood Program

Beginning in 1999, the City set aside \$1 million per year of the Cumulative Reserve Subfund (CRF) for major maintenance projects identified in neighborhood plans. In prior years, the Seattle Department of Transportation (SDOT) has contributed "Neighborhood Street Fund" (NSF – shown in the SDOT fund source table as "City Street Fund") money to this program as well, to leverage the types and amounts of projects that can be completed. CRF dollars allocated to this program (in the Parks Department and SDOT) can be used only for repairing or restoring existing facilities (not new construction) in neighborhood plan areas. These projects are identified by the community and selected for funding by the Department of Neighborhoods and the Department of Finance. The selection process for 2004 funds was completed in July 2003, and as a result \$146,900 of CRF was added to the Parks CIP and \$853,100 to the SDOT CIP for the projects listed on the following page. See also SDOT project TC365770 (NSF/CRF Neighborhood Program) and three projects in the Parks CIP: Admiral (Belvedere) Viewpoint - Totem Pole Replacement (project K732201); Dr. Blanche Lavizzo Park - Comfort Station Upgrade (project K732203); and Tennis Court Resurfacing (project K732246).

2004-2009 Proposed CIP Overview

2004 CRF Neighborhood Program				
District	Project Description	Amount	District Total	Department
Ballard	Sidewalk repair along NW Market Street between 17th NW and 24th NW	\$33,300		SDOT
Ballard	Surface street repair along Ballard Industrial waterfront (26th Ave NW)	\$35,500		SDOT
District Total			\$68,800	
Central	Dr. Lavizzo Park comfort station upgrade	\$41,800		Parks
Central	Rebuilding of 120' of curb and repair of sidewalks on Cherry between 23rd and 25th	\$43,000		SDOT
District Total			\$84,800	
Delridge	ADA accessible curb at bus stop on SW Thistle Street and 26th Ave. SW	\$5,000		SDOT
Delridge	Pedestrian crossing improvement on SW Barton St. between 29th and 26th Ave SW	\$8,000		SDOT
District Total			\$13,000	
Downtown	Sidewalk repair (Tashiro Kaplan)	\$80,000		SDOT
District Total			\$80,000	
East (First Hill/Capitol Hill/Madison Park)	Sidewalk repair on Broadway btwn Spruce St and Yesler Way	\$26,100		SDOT
East (First Hill/Capitol Hill/Madison Park)	Sidewalk repair along length of Broadway	\$73,000		SDOT
District Total			\$99,100	
Greater Duwamish	Surface street improvements to west entrance of Oxbow Park	\$45,000		SDOT
Greater Duwamish	Sidewalk repair on 8th Av S. in South Park	\$40,000		SDOT
District Total			\$85,000	
Lake Union	Sidewalk repair near N 45th & Stone Way N	\$50,000		SDOT
Lake Union	Sidewalk repair on south side of Fremont Place	\$21,500		SDOT
District Total			\$71,500	
Magnolia/Queen Anne	Surface street improvement (resurfacing) along 8th Place W between W Galer & 7th	\$75,000		SDOT
District Total			\$75,000	
North	Sidewalk repair along NE 110th	\$60,000		SDOT
North	Sidewalk improvement west side of 15th Ave. NE from NE 92nd St. to NE 106th St.	\$40,000		SDOT
District Total			\$100,000	
Northeast	Froula Playground tennis court repairs	\$43,500		Parks
District Total			\$43,500	
Northwest	Sidewalk repair along west side of Greenwood Avenue N btwn 85 th /87th	\$81,000		SDOT
District Total			\$81,000	
Southeast	Sidewalk Repair along Rainier Avenue S between S Plum and Bayview	\$56,700		SDOT
Southeast	Sidewalk repair along Rainier Avenue S between S Hill and MLK.	\$65,000		SDOT
Southeast	Sidewalk repair at Hitt's Hill Park	\$15,000		SDOT
District Total			\$136,700	
Southwest	Totem pole replacement at Admiral Viewpoint	\$61,600		Parks
District Total			\$61,600	
Grand Total			\$1,000,000	

Neighborhood Matching Fund

A number of CIP projects, particularly in the Department of Parks and Recreation CIP, include funding from the Neighborhood Matching Fund (NMF), a subfund of the City's General Subfund. The NMF was created in 1989 to provide money to Seattle neighborhood groups and organizations for a broad array of neighborhood-initiated improvement, organizing, or planning projects. Grants are made for all phases of a capital project (with the exception of property acquisition) ranging in size from a few thousand dollars to \$100,000. Significant projects receiving NMF include the Lake City Civic Center project, Cal Anderson Park, and the Mt. Baker Rowing and Sailing Center Addition. NMF awards often add unfunded amenities to City or other-funded projects. All awards leverage other private and public contributions; a requirement of the NMF is that the City contribution is matched with volunteer time or money.

In 2004, a new "Targeted Infrastructure" program adds \$900,000 of Cumulative Reserve Subfund – REET II funds to the Neighborhood Matching Fund for infrastructure investment in neighborhood plan areas.

Additional Policies Guiding the City's Capital Investments

A set of important policies, reflecting the City of Seattle's values and priorities, guide the City's investments in capital projects. These policies touch on how we take care of our buildings and infrastructure; how we preserve our own and greater Seattle's historic buildings; how we ensure that all members of our community have access to the economic opportunities our capital projects create; how we respect the environment, support sustainable building practices and reward areas that have accepted growth as envisioned in our comprehensive plan; and how we support public art and design standards.

Asset Preservation

During 2002, the Executive undertook an assessment of the City's demands for major maintenance and facility improvement projects. This effort, which was an outgrowth of the City's update to its 2001 financial policies, was intended to develop an annual funding target for major maintenance (now called "asset preservation") investments that would reflect an updated assessment of the City's capital infrastructure. The Asset Preservation Study found that, despite achieving targets recommended by the Citizens' Capital Investment Committee in 1994, the City still lags behind industry-recommended levels of investment in asset preservation. The four General Government departments involved in the study (Fleets & Facilities, Library, Parks and Recreation, and Seattle Center) are responsible for a total of 6.9 million square feet of building space, 2.6 million square feet of parking space, and 240 million square feet of grounds (primarily green space) and work yards. These assets have a replacement value of approximately \$5 billion. Assuming an annual asset preservation funding target of 1.0% of the replacement value for buildings and a 0.5% of the replacement value for other assets, the City should be investing about \$38 million per year in asset preservation. These percentage targets are consistent with those used by other jurisdictions; these jurisdictions were polled as part of this study's review of best practices.

Among the recommendations from the study are: setting the City's asset preservation funding target based on a percentage of the replacement value of all of the assets for which the City has asset preservation responsibility; funding asset preservation investments in part through user fees or internal rates; and actively engaging in property management strategies such as disposal, demolition or retirement of facilities to reduce asset preservation obligations, and developing a comprehensive property management system which includes condition assessments, commissioning of new buildings, and life cycle analysis.

The Executive and Council will be working together to implement the recommendations of the Asset Preservation Study over the next three biennia. In 2004, the City is spending \$19.5 million on asset preservation of general government infrastructure. This CIP reflects a major new commitment to replacing Piers 58/59 and 62/63 on the Central Waterfront.

Historic Preservation

Seattle's commitment to historic preservation began with citizen efforts in the 1960s to block the demolition of several beloved buildings and proposed "Urban Renewal" plans that would have destroyed most of Pioneer Square and Pike Place Market. In 1970, the Seattle City Council secured Pioneer Square's survival with the

2004-2009 Proposed CIP Overview

City's first historic preservation district, and voters approved an initiative for the Pike Place Market historic district two years later. In 1973, the Seattle City Council adopted a Landmarks Preservation Ordinance to safeguard properties of historic and architectural significance around the city - and more than 230 structures and sites have now been designated. The City of Seattle currently owns or maintains 30 designated Landmarks, ranging from Libraries to park buildings to historic downtown office buildings; more than 90 more City-owned properties may be eligible for Landmark Status. The City's current policy is to consult with Landmarks Board staff when there are plans to alter or demolish a structure that is listed in the inventory of City-owned Historic Resources as potentially eligible for Landmark status, to determine whether it is necessary for the department that owns the building to prepare a nomination. If the work is significant, the department would go through the Landmarks Board review process, in order to preserve the historic nature of the facility. Staff from Fleets & Facilities have worked with Landmarks Board staff in preparing the Fire Facilities and Emergency Response Levy; Landmark nominations will be prepared for nine buildings as part of the Levy program.

Small and Economically Disadvantaged Business Assistance

The City has taken steps to address contracting equity for small and economically disadvantaged businesses (including Women & Minority owned Businesses "WMBEs") impacted by the race and gender neutral requirements of Initiative 200, passed in a statewide vote in 1998.

In 2002, Ordinance 120888 authorized the development of a "small economically disadvantaged business assistance program", managed by the Urban League of Metropolitan Seattle. This program, called the Contracting Development and Competitiveness Center (CDCC), provides assistance to small construction firms including minority and women-owned businesses, and provides a bridge to resources available in the community for professional, managerial, and technical development. CIP departments are funding the CDCC in 2003 and 2004 (\$500,000 each year) based on each department's appropriated CIP amount.

Another City initiative, the Boost program, was established as a pilot program to set requirements or provide incentives to general or prime contractors to employ these small businesses on seven select large City construction projects. These projects include City Hall, the Justice Center, Central Library, McCaw Hall, Landsburg Dam, Cedar River Treatment Facility, and Park 90/5.

Sustainable Building Policy

In February 2000, the City Council adopted a Sustainable Building Policy for the City of Seattle (Resolution 30121). The policy is based on criteria given by the U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) rating system. All capital construction which falls under the Sustainable Building Policy (new or renovated facilities larger than 5,000 square feet) is expected to budget to meet the LEED "silver standard" or higher. Sustainable building uses materials and methods that promote environmental quality, economic vitality, and social benefit through the design, construction, and operation of the built environment.

The City's current program is multi-faceted, with actions underway in two major areas: 1) sustainable design and construction of City-owned buildings and infrastructure; and 2) promoting sustainable design and construction of non-City facilities (e.g., commercial buildings, affordable housing, schools, etc.). To date, 15 City projects across six departments are expected to meet the "LEED Silver" standard, making the City the single largest owner of LEED buildings in the world. These buildings include the new Seattle Justice Center and City Hall, McCaw Hall, the new Central Library (still under construction), Yesler Community Center, and Cedar River Treatment Facility Operations Building. In addition, nine private sector projects are in City-sponsored LEED incentive programs out of 28 LEED registered projects in Seattle.

Federal Regulatory Compliance

The City's utilities have several new facilities projects in their Capital Improvement Programs to meet Federal and State regulatory requirements. The City must abide by U.S. Endangered Species Act regulations, which are designed to assist in species recovery efforts. In response to the listing of mid-Puget Sound Chinook salmon under the Act, Seattle Public Utilities is implementing measures to facilitate fish passage near the Landsburg Diversion Dam on the Cedar River. Other projects include creating Cedar River downstream fish habitat and fish passage facilities, and protective fish screening to prevent salmon entrapment in the water supply system. City

2004-2009 Proposed CIP Overview

Light and Seattle Public Utilities are also planning to begin acquiring salmon habitat in the Green/Duwamish, Cedar/Lake Washington, Skagit, and Snohomish watersheds as part of the City's Early Action Plan.

Targeted Infrastructure

The 2004-2009 CIP reflects the first phase of dedication of funds for "targeted infrastructure". The City is making significant efforts to attract new jobs and housing and has several neighborhoods that would be prime sites for such development. In order to better provide the public infrastructure investments needed to support this growth, the City will need to improve coordination between the capital budget and land use and economic development strategies. By establishing more systematic connections, we can ensure sufficient infrastructure and public amenities in areas targeted for significant future development, such as South Lake Union, South Downtown, and Northgate. The Mayor has set this issue as a high priority for the 2005-2006 biennial budget.

In addition, a number of neighborhoods have already taken a significant amount of growth, exceeding their housing or job growth targets as set in the Comprehensive Plan. In 2004, the first phase of funds targets infrastructure improvements in four rapidly-growing neighborhood plan areas – Pike/Pine, Madison/Miller, 12th Avenue, and Greenwood. These projects can be found in the Parks and SDOT CIPs, and are funded with a total of \$900,000 of Cumulative Reserve Subfund – REET II funds. These funds are intended to mitigate the impacts of growth in those neighborhoods, and to support high priority neighborhood plan projects.

One Percent for Art Program

One percent of City capital improvement project funds are set aside for the commission, purchase, and installation of artworks throughout Seattle. The 2004-2009 Proposed CIP includes One Percent for Art allocations for each project eligible for art funding in compliance with the ordinance establishing the program (SMC Chapter 20.32). The total of these allocations for 2004 is \$1,269,221 and is shown in the Office of Arts and Cultural Affairs' (formerly Seattle Arts Commission) 2004-2009 Proposed CIP introductory section. These projects are also included in a Municipal Art Plan, prepared by the Office of Arts and Cultural Affairs, to reflect the status of continuing public art projects and establish the scope of work and budgets for new public art projects. If the expected allocations for a CIP project change in future years (either in the budget or through a separate ordinance), then the anticipated One Percent for Art allocation changes accordingly. Project costs for the purposes of calculating the One Percent for Art allocations cover all phases of a construction project (e.g., studies, planning, design, and construction), except for property acquisition.

Design Commission

Established in 1968, the Seattle Design Commission advises the Mayor, City Council and appropriate City departments on the both design and environmental aspects of the City's Capital Improvement Program. Commission members are Seattle citizens appointed by the Mayor for a renewable two-year term. Membership is comprised of two licensed architects, one professional fine artist and one lay member; and at least one and no more than two from each of the following categories, for a maximum total of five: professional urban planner, professional environmental or urban designer, landscape architect, and licensed professional engineer. Funding for the Design Commission comes from the projects being reviewed. Generally, individual projects are assessed a fee, built in to the project budget, of .33% of the eligible portion of the project.

Eligible projects include any on-or above-grade structure including buildings and additions to buildings, bridges, park developments, street furniture, and all similar installations. The Commission reviews below-grade structures which are regularly visible to the public. Projects reviewed by the Commission must be financed in whole or in part with City funds, or subject to approval by the City. Commission involvement in capital improvement projects begins as early in the planning process as possible, starting with participation in the consultant selection process and continuing through the many stages of project development. This includes project reviews at the scope briefing or pre-design stage, conceptual design, schematic design, design development and sometimes construction documents stages.

2004-2009 Proposed CIP Overview

CIP Funds and Funding Sources

Like all large municipalities, Seattle relies on a variety of sources to finance capital projects. These include locally-generated revenues (property taxes, fees, voter-approved bonds, and user charges), intergovernmental revenues (including state and federal grants), and debt issuance. Unlike pay-as-you-go sources of funding, the issuance of debt requires a later revenue stream from which to repay the principal and interest expenses. These traditional funding sources continue to provide the majority of funds for capital facility investments. Capital projects in the utilities (Seattle City Light and Seattle Public Utilities) are funded by rates; the utilities issue revenue debt to finance their projects. The City's level of capital investment is based on the mix and level of financial resources available to the City.

The table below identifies funding sources for the 2004-2009 Proposed CIP by fund group (displayed in thousands of dollars). A table at the end of this overview lists all funds in the CIP.

Fund Group	2003 Revised	2004 Proposed	2005-2009
City's Department Operating Funds	7,570	4,691	27,702
City's General Subfund	7,707	500	60
City's Restricted Capital Funding	195,212	30,509	102,194
City's Utility Funds	311,327	250,255	1,481,654
Federal or State Funding	52,752	33,710	117,953
Miscellaneous Grant Funding	1,487	-	3,211
Other Local Governments	3,911	4,475	11,303
Private and Non-Profit Funders	29,590	10,232	30,024
To Be Determined	-	40	296,295
Voter-Approved Funding	197,887	88,727	130,840
Total	\$807,443	\$423,139	\$2,201,236

Department capital appropriations for the coming year are made through the budget; details are included in the 2004 Proposed Budget, following each departmental budget section. The level of budget control varies by department and funding source. The Cumulative Reserve Subfund is appropriated at the project or program level. Transportation and Utility funds are generally appropriated at the program category level. Projects or programs that are funded by general obligation bonds are usually appropriated by separate ordinances.

Cumulative Reserve Subfund (CRF)

This subfund is a reserve fund authorized under State law and is used primarily for maintenance and development of City capital facilities. The subfund is currently divided into two accounts, the Capital Projects Account and the Revenue Stabilization Account. The purposes and uses of these accounts are described below:

The **Capital Projects Account** provides funds for a wide array of capital projects. For the last few years, the vast majority of the expenditures from the Capital Projects Accounts have been devoted to maintaining and rehabilitating existing City facilities.

The account is divided into four subaccounts that reflect different revenue sources.

- ◆ The Real Estate Excise Tax I (REET I) Subaccount is funded by a 0.25% tax on real estate transactions. A portion of these proceeds is used to pay debt service on bonds issued in 1992 and refinanced in 1998 for low-income housing and recreation facilities. REET I revenues are also used to defease 1994 bonds and to pay debt service on \$6,751,000 in Councilmanic bonds that was issued in 2003 to pay for Seattle Center roof replacements. The subaccount continues to earn interest on the balance that would have existed without the defeasance. The remaining REET I funds are used for other capital projects.
- ◆ The Real Estate Excise Tax II (REET II) Subaccount is funded from an additional 0.25% tax on real estate transactions and is kept separate due to different state requirements regarding the use of these funds. REET II revenues are used for a variety of capital projects.

2004-2009 Proposed CIP Overview

- ♦ The South Lake Union Property Proceeds Subaccount receives funding from sales of certain surplus City property located adjacent to South Lake Union, investment earnings attributable to the subaccount, and other associated revenues. \$13,759,000 was transferred out of this subaccount in 2002 into the defeasance account established as part of a refinancing plan of outstanding Councilmanic debt issued in 1994. The City will issue Councilmanic debt in the future to pay for projects that would have been funded otherwise from the subaccount. The subaccount continues to earn interest on the balance that would have existed without the defeasance.
- ♦ The Unrestricted Subaccount receives funding from a variety of sources, including street vacation revenues, transfers of General Fund balances, investment earnings (net of investment earnings attributable to the South Lake Union Property Proceeds Subaccount), and other unrestricted contributions to the Cumulative Reserve Subfund. The Unrestricted Subaccount includes the Street Vacation Compensation Fund which dedicates a portion of revenues earned from street vacations to transportation and open space capital improvements.

The **Revenue Stabilization Account**, created in the 2000 Adopted Budget through Ordinance 119761, provides a cushion from the impact of sudden, unanticipated shortfalls in revenue due to economic downturns that could undermine City government's ability to maintain services. The account is limited by ordinance to 2.5% of the prior tax year revenues. The entire account fund balance was used to balance the 2002 budget through the adopted 2002 budget and subsequent supplemental legislation.

2004 Proposed Cumulative Reserve Subfund Appropriations

Appropriations shown below from the Cumulative Reserve Subfund (CRF) are for special purposes such as debt service payments and the City's Tenant Relocation Assistance Program. Department CRF and Street Vacation Compensation Subfund summaries are shown for informational purposes only. Actual appropriations for capital projects funded by the CRF are made in the appropriate department's section of the budget book. Department capital projects are fully described in the project sections of this document.

	Summit Number	CRF Subaccount	2003 Revised	2004 Endorsed	2004 Proposed
Appropriations - Special Projects					
1998B Capital Facilities Refunding	CC3002	REET I	3,013,000	3,004,000	3,004,000
Tenant Relocation Assistance Program	TRANEW	Unrestricted	179,000	179,000	179,000
Office of Housing - Tower Records	OHNEW	Unrestricted	519,000	-	-
Transfer to Defeasance Account	TBD	REET I	5,500,000	-	4,579,000
Special Projects Total			\$9,211,000	\$3,183,000	\$7,762,000
Allocations - Department Summaries (1)					
Department of Parks and Recreation			4,154,465	9,968,000	10,726,000
Fleets and Facilities Department			13,400,492	1,136,000	2,490,000
Office of Arts and Cultural Affairs			120,000	120,000	120,000
Seattle Center			1,164,000	1,788,000	1,818,000
Seattle Public Library			156,000	371,000	371,000
Seattle Transportation (2)			3,339,000	1,400,000	5,705,000
Department Summaries Total			\$32,333,957	\$14,783,000	\$21,230,000
Grand Total			\$41,544,957	\$17,966,000	\$28,992,000

(1) Excludes REET II transferred to the Neighborhood Matching Fund to fund Targeted Infrastructure investments

(2) Includes Street Vacation Compensation Subfund allocations

Capital Projects Funds

In addition to the Cumulative Reserve Subfund, the City establishes capital project funds to account for resources set aside to acquire or construct major capital facilities, except those financed by proprietary funds. These funds have been established to monitor the revenue and expenditures of specifically authorized revenues such as voter-approved and Councilmanic bonds and levies. Descriptions of various types of capital projects funds follow.

2004-2009 Proposed CIP Overview

General Subfund

General Fund dollars appear in the CIP in two places: the General Fund contribution towards debt service costs of Councilmanic debt and appropriations to capital projects from a department's operating budget.

Limited Tax General Obligation Bonds

The City's operating budget includes expenditures to pay debt service on general obligation bonds that were issued to finance certain projects. Limited tax general obligation ("LTGO," or "Councilmanic") bonds, are bonds that are issued by the City Council without voter approval. The debt service on these bonds is typically repaid from existing general government revenues or from revenues generated by the project(s) financed with the bonds.

A number of City funds are established to monitor the expenditures of specific LTGO bonds. These include: the Seattle Center/Community Centers Levy Fund, the Municipal Civic Center Fund (with subfunds including the Justice Center Subfund, the City Hall Subfund, the Key Tower Subfund, and the Open Space/Arctic Subfund.

Unlimited Tax General Obligation Bonds

Funds have also been established to account for expenditures of a second type of general obligation bond – unlimited tax general obligation ("UTGO," or "voted") bonds. These voted bonds are issued after receiving approval by 60% of the voters in an election with at least a 40% turnout. The debt service on these bonds is repaid from additional ("excess") property tax revenues, which voters approve as part of the bond measure. The "Libraries for All" (LFA) measure (Proposition One), approved by voters in November 1998, is an example of voter-approved bonds. The LFA UTGO Bond Series One fund, was established in 1999 to account for proceeds from the sale of voter-approved bonds (approximately \$100 million) to be used for the "Libraries for All" capital program. The 1998 Libraries for All Fund was established in 1999 to hold proceeds from a line-of-credit borrowing (approximately \$1.5 million) that were used to finance LFA operations until the voter-approved bonds could be sold (Ordinance 119185). In September 2002, \$94.8 million of UTGO bonds for LFA projects were sold.

Utility Funds

These funds exist to account for both the operating and capital expenses of Seattle Public Utilities and Seattle City Light. The Utility Funds are: Seattle City Light Fund, Drainage and Wastewater Fund, Solid Waste Fund, and Water Fund.

Private Dollars

Some departments show private funding contributing to their capital projects. There are two ways in which private funds appear in the CIP: private dollars that go towards a capital project, but do not pass through the City in any way; and private dollars which are deposited in City funds, appropriated in the City budget, and spent on a department's capital project. Both of these types of transactions are reflected in the Marion Oliver McCaw Hall project (S0001) in the Seattle Center CIP.

Conclusion

The 2004-2009 Proposed CIP reflects the beginning of a transition from the City's recent cycle of new construction to making targeted investments in rapidly-growing neighborhoods and focusing on preserving our existing capital assets. The City's major levy programs continue, building or renovating parks, libraries, and community centers citywide. The new targeted infrastructure program focuses on ensuring that rapidly-growing neighborhoods, or those which are poised for future growth, have sufficient infrastructure. The proposed Fire Facilities and Emergency Response Program, if approved by voters, upgrades or renovates fire stations citywide, while replacing a few stations entirely. Other projects preserve or upgrade our waterfront piers, utilities, roads, and cultural facilities. The CIP makes investments to preserve the City's capital assets, while respecting and reflecting neighborhood plan recommendations and multiple other important City policies.

2004-2009 Proposed CIP Overview

Table of Funds and Revenue Sources

Funding Group	Fund Name	Fund Code	Revenue Source
City's Department Operating Funds	Information Technology Fund	50410	Internal Service Fees and Allocations, Outside Funding Partners
City's Department Operating Funds	Interdepartmental Funding	Various	General Subfund Taxes and Other Revenues
City's Department Operating Funds	Park Operating Fund	10200	General Subfund Taxes and Other Revenues
City's Department Operating Funds	Seattle Center Operating Fund	11410	General Subfund Taxes and Other Revenues
City's Department Operating Funds	Transportation Operating Fund	10310	General Subfund Taxes and Other Revenues
City's General Subfund	Emergency Fund	00185	General Subfund Taxes and Fees
City's General Subfund	General Subfund	00100	General Subfund Taxes and Fees
City's General Subfund	Neighborhood Matching Fund	00165	General Subfund Taxes and Fees
City's Restricted Capital Funding	2002 Capital Facilities Bond Fund	Various	General Obligation Bonds paid from General Government Revenues
City's Restricted Capital Funding	2002 LTGO Project Fund	Various	General Obligation Bonds paid from General Government Revenues
City's Restricted Capital Funding	2003 Fire Facilities Fund - Other	TBD	Interest earnings on 2003 Fire Facilities Fund
City's Restricted Capital Funding	2003 LTGO Project Fund	Various	General Obligation Bonds, paid from General Government Revenues
City's Restricted Capital Funding	Cumulative Reserve Subfund-REET I	00163	Real Estate Excise Taxes
City's Restricted Capital Funding	Cumulative Reserve Subfund-REET II	00161	Real Estate Excise Taxes
City's Restricted Capital Funding	Cumulative Reserve Subfund-South Lake Union	00167	Proceeds from South Lake Union Property Sales
City's Restricted Capital Funding	Cumulative Reserve Subfund-Unrestricted	00164	General Fund, Street Vacations, Property Sales, and Interest Earnings
City's Restricted Capital Funding	Gas Works Remediation Trust Fund	10220	General Subfund Taxes and Fees
City's Restricted Capital Funding	Key Arena Renovation Fund	34050	Admission Taxes, General Subfund Taxes, and Fees
City's Restricted Capital Funding	Limited Tax General Obligation Bonds	Various	General Obligation Bonds paid from General Government Revenues
City's Restricted Capital Funding	Municipal Civic Center Fund	Various	Property Sales and General Obligation Bonds paid from General Government Revenues
City's Restricted Capital Funding	Neighborhood Matching Fund – REET II	00161	Real Estate Excise Taxes
City's Restricted Capital Funding	Shoreline Park Improvement Fund	33110	Metropolitan King County Funds
City's Restricted Capital Funding	Street Vacation Compensation Subfund	00310	Street Vacation Fees

2004-2009 Proposed CIP Overview

Funding Group	Fund Name	Fund Code	Revenue Source
City's Restricted Capital Funding	Transportation Bond Fund	31620	General Obligation Bonds, paid from General Government Revenues
City's Restricted Capital Funding	Water Way Fund	10315	User Fees
City's Utility Funds	Energy Rebates	41000	Seattle City Light Rates
City's Utility Funds	Seattle City Light Fund	41000	Seattle City Light Rates
City's Utility Funds	SPU Drainage and Wastewater Fund	44010	Drainage and Wastewater Rates
City's Utility Funds	SPU Solid Waste Fund	45010	Solid Waste Rates
City's Utility Funds	SPU Water Fund	43000	Water Rates
Federal or State Funding	Arterial City Street Fund	10340	City's Share of State Gas Tax
Federal or State Funding	City Street Fund	10320	City's Share of State Gas Tax
Federal or State Funding	Community Development Block Grant	17810	Federal Housing and Urban Development Department Grants
Federal or State Funding	Federal Grants	Various	Federal Grant Funds
Federal or State Funding	Housing and Urban Development	Various	Federal Grant Funds
Federal or State Funding	Interagency Committee for Outdoor Recreation	Various	Interagency Commission on Outdoor Recreation Grants
Federal or State Funding	Public Works Trust Fund	10310	Public Works Trust Fund Loans
Federal or State Funding	State Grants	Various	State Grant Funds
Federal or State Funding	Vehicle License Fees	10330	State Vehicle Registration Fees
Miscellaneous Grant Funding	2000 Parks Levy Fund Reimbursable	33850	Miscellaneous Grants Funded Through Parks Levy Fund
Miscellaneous Grant Funding	2003 Fire Facilities Fund - Grant Receipts	TBD	Miscellaneous Grants Funded Through Fire Facilities Levy Fund
Miscellaneous Grant Funding	Cumulative Reserve Subfund-Unrestricted Reimbursable	00164	Miscellaneous Grants Funded Through Cumulative Reserve Subfund Unrestricted Account
Miscellaneous Grant Funding	Shoreline Park Improvement Fund Reimbursable	33110	Metropolitan King County Funds
Other Local Governments	Beach Maintenance Trust Fund	61500	Beach Management Trust Funds
Other Local Governments	Conservation Futures Fund	33510	King County Property Tax Levies
Other Local Governments	Denny Triangle Amenity Credit Fund	33910	King County Development Credits Transfer per Interlocal Agreement (Ord. 119730)
Other Local Governments	Metro King County	Various	Metropolitan King County Funds
Other Local Governments	Port of Seattle	Various	Port of Seattle Funds
Other Local Governments	Seattle Housing Authority	Various	Seattle Housing Authority Funds
Other Local Governments	Seattle Monorail	Various	Voter-Approved Funds
Other Local Governments	Sound Transit	Various	Voter-Approved Funds
Private and Non-Profit Funders	Private Funding	Various	Private Donations and Reimbursements

2004-2009 Proposed CIP Overview

Funding Group	Fund Name	Fund Code	Revenue Source
To Be Determined	To Be Determined	TBD	Funding Not Yet Identified
Voter-Approved Funding	1-2-3 Bond	33400	Voter-Approved Bond - Seattle
Voter-Approved Funding	2000 Parks Levy Fund	33850	Voter-Approved Levy - Seattle
Voter-Approved Funding	2003 Fire Facilities Fund - Levy	TBD	Voter-Approved Levy - Seattle
Voter-Approved Funding	800 MHz Levy	Various	Voter-Approved Levy - King County
Voter-Approved Funding	Basic Life Support Levy	Various	Voter-Approved Levy - King County
Voter-Approved Funding	Libraries for All Bond	31930	Voter-Approved Bond - Seattle
Voter-Approved Funding	Open Space Trail Bond Fund	33620	Voter-Approved Bond - King County
Voter-Approved Funding	Seattle Center/CC Levy Fund I	33810	Voter-Approved Levy - Seattle
Voter-Approved Funding	Seattle Center/CC Levy Fund II	33800	Voter-Approved Levy - Seattle